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C/007/020 Incoming
CC: Steve A.

OK



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:

3474

UTU-74804

(UT-9223)

RECEIVED
AUG 06 2013
AUG 08 2013

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 7004 1350 0004 5277 4386

Return Receipt Requested

DECISION

Obligor:	:	
Hidden Splendor Resources, Inc.	:	Coal Lease
57 West 200 South, Suite 400	:	UTU-74804
Salt Lake City, Utah 84101	:	

Default Determined; Personal Bond Appropriated

On June 29, 2011, the Bureau of Land Management (BLM) accepted a \$264,000 personal bond and power of attorney, secured by cash, from the above obligor. This cash was placed in this office's suspense account.

Pursuant to a memorandum from David L. Denson, Office of Enforcement, Office of Natural Resources Revenue (ONRR), dated July 25, 2013, this office was notified of the following deficiency for Federal coal lease UTU-74804. Hidden Splendor Resources, Inc. is delinquent for unpaid royalties and interest owed in the amount of \$601,266.04. The periods owed are from February 2012 to December 2012. The ONRR has attempted to recover these amounts due by turning the invoices over to the Department of Treasury for collection. Additionally, the Proof of Claim (POC) was filed with the bankruptcy court for collection. Subsequently the bankruptcy court dismissed the bankruptcy case 13-10862 on July 9, 2013.

Hidden Splendor resources, Inc. is hereby advised that, in accordance with the terms of the coal lease, the terms of the personal bond and power of attorney, and the regulations contained in 43 CFR 3474, we are appropriating the \$264,000 proceeds because the lessee, Hidden Splendor Resources, Inc. is in default of the terms and conditions of this coal lease for the failure to pay royalty and penalty obligations. By copy of this decision, all appropriate offices and parties are being notified of this bond appropriation payment.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842.1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

If you have further questions, please call Roger Bankert of this office at (801) 539-4037.



Kent Hoffman
Deputy State Director,
Division of Lands and Minerals

Enclosure:

1. Form 1842-1

cc: Hidden Splendor Resources Inc., 3266 South 125 West, Price, Utah 84501

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801

Office of the Solicitor, Suite 6201, Federal Building, 125 South State Street, Salt Lake City, Utah 84138

Mr. David L. Denson, Office of Natural Resource Revenue (ONRR), 15109 Heathrow Forest Parkway, Suite 200, Houston, Texas 77032-3887

Mr. John Hovanec, Office of Natural Resource Revenue, P. O. Box 25165, Denver, Colorado 80225-0165

Ms. LeeAnn Martin, ONRR, ACM, Solid Minerals Staff, , MS62300B, Box 25165, Denver, Colorado 80225-0165

Price Field Office (UTG021)